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Trade Deal Would Level Playing Field for U.S.

By Rep. Paul Ryan

While the personal attacks contained within The Capital Times' June 9 editorial do not dignify a response, I would like to comment on the points made with regard to the Central American Free Trade Agreement and health care.

The argument that CAFTA is a "race-to-the-bottom" trade agreement is a nice catch phrase, yet it belies the facts surrounding this agreement. Unlike the North American Free Trade Agreement, in which both the U.S. and Mexico reduced trade barriers to one another, CAFTA is primarily a one-way agreement. Today the U.S. already gives Central America virtually open access to U.S. markets. In fact, nearly 80 percent of products from the CAFTA countries enter the U.S. duty-free, yet our exports to these countries face a stiff wall of trade barriers.

Under the current system, any U.S. company can relocate to Central America and re-import a product to the U.S. tariff-free. On the other hand, if a Wisconsin-based business wants to sell its goods to this region today, high trade barriers stand in the way (and create an enormous incentive to relocate). Is this fair?

With CAFTA, we would finally get reciprocal treatment for our exports to Central America, as 80 percent of U.S. exports of consumer and industrial products would immediately be able to enter the Central American market duty-free. Clearly this is important for our manufacturers, and so is the fact that the agreement would eliminate the 11 percent average tariff that Central America imposes on autos.

But what about Wisconsin's farmers? Our dairy farmers currently face tariffs as high as 60 percent in Central America. CAFTA would eliminate these tariffs within 20 years, with tariffs on some dairy products removed sooner. The agreement also removes tariffs on Wisconsin's soybean, corn and pork producers, among others.

What about labor? CAFTA is the strongest agreement to date with respect to the enforcement of labor laws. It will - and has already begun to - improve labor standards in these countries, as well as require effective enforcement, including monetary fines.

It's no secret that the anti-democracy forces in Central America are fighting CAFTA to stifle fledgling democratic reforms. It would be a shame to walk away from the democracy movement in this region by defeating CAFTA.

In short, by leveling the playing field for American workers and producers, we not only remove the current incentive to relocate production in the CAFTA region, we finally achieve equal treatment for our exports, raise labor standards and enforcement, and bolster the democracy movement within the Western Hemisphere. That sounds fair to me.

As for health care, it is no secret that I am not in favor of socialized medicine. Perhaps this is ultimately where The Capital Times and I disagree. Yet, I think both of us would agree that the health care status quo in America is unsustainable. I believe more power must be placed into the hands of consumers, not government or HMO bureaucrats. Does this mean shifting costs from businesses to individuals? Far from it. I am pushing reforms that give the consumer the financial resources, the clout and the information to be the driving force of our health care system, rather than the recipients of annual double-digit cost increases.

* I always enjoy a spirited debate about how best to address the major challenges facing our country. I'm disappointed that The Capital Times would rather impugn the motives of those who disagree with its editorial positions than attempt an even-handed examination of legislative issues.